

THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

WRIT PETITION NO.32424 OF 1998

(DATED: 07-12-2007)

Between:

Pasam Chitti Babu S/o Sri P.Munaswamy
H.No.1-3-183/40/77, Gandhinagar,
S.B.I.Colony, Hyderabad and others

....Petitioner

A n d

Assistant General Manager
State Bank of India Main Branch and others

...Respondents

:: ORDER ::

Counsel for the petitioners : Mr.Ravindranath

Counsel for the respondents : Ms.Uma Devi
representing
Sri K.Srinivasa Murthy

ORDER:

The present writ petition has been instituted by a large number of workmen engaged by a contractor for rendering service on contract basis with the various offices and establishments of the State Bank of India, a premier banking institution in the country.

2. The writ petitioners have rested their claim on the Notification issued by the Central Government on 9th December 1976 under sub-section (1) of Section 10 of the Contract Labour (Regulation & Abolition) Act, 1970 (Act 37 of 1970). They have solicited a writ of *mandamus* directing the respondents to absorb the petitioners on to the regular establishment of the bank from the date of their initial appointment in the standard cadre with all consequential benefits.

3. Heard Sri Ravindranath, learned counsel appearing for the petitioners and Ms.Uma Devi, learned counsel representing the respondents.

4. It is no doubt true that the notification issued by the Central Government on 9th December 1976 has abolished those very nature of functions, which are performed by the petitioners. It is also true that the said notification dated 9th December 1976 has been directed, to be acted upon pursuant to the judgment rendered by various Courts including the *apex* Court. But, however, the validity of the said notification has squarely fallen for consideration before the apex Court

i n **Steel Authority of India Ltd v. National Union Water Front Workers** [\[1\]](#). In paragraph 52 of the judgment, the Constitution Bench had concluded the issue as follows:

“A glance through the said notification, makes it manifest that with effect from March 1, 1977, it prohibits employment of contract labour for sweeping, cleaning, dusting and watching of buildings owned or occupied by establishment in respect of which the appropriate Government under the said Act is the Central Government. This clearly indicates that the Central Government had not adverted to any of the essentials, referred to above, except the requirement of consultation with the Central Authority Board. Consideration of the factors mentioned above has to be in respect of each establishment, whether individually or collectively, in respect of which notification under sub-section (1) of Section 10 is proposed to be issued. The impugned notification apart from being an omnibus notification does not reveal compliance of sub-section (2) of Section 10. This is *exfacie* contrary to the postulates of Section 10 of the Act. Besides it also exhibits non-application of mind by the Central Government. We are, therefore, unable to sustain the said impugned notification dated December 9, 1976 issued by the Central Government.”

5. Thus, the Constitution Bench of the *apex* Court in Steel Authority of India Ltd. (1 *supra*) had held the Notification dated 9th December 1976 as unsustainable, the notification being not in conformity with the requirement of the statute itself. Therefore, the claim of the petitioners soliciting a writ of *mandamus* for their absorption, based on the Notification dated 9th December 1976 cannot be sustained at all.

6. Learned counsel for the petitioners Sri Ravindranath realizing this difficulty had tried to emphasize upon the alternative relief solicited

by the petitioners, which in turn, is based upon the settlement dated 31.3.1994 arrived at between the State Bank of India and the workmen employed therein, in accordance with the Section 18(i) of the Industrial Disputes Act, 1947.

7. A perusal of the settlement makes it clear that such of those contract labour, who were working in the institutions and departments as on 1.1.1992 or as on the date of the said settlement would be considered for permanent placement in the bank in the standard cadre against the sanctioned vacancies, subject to satisfactory proof of length of contract labour service rendered and being found suitable for the purpose. It is appropriate to notice right at this stage that how the settlement defined the expressions “institutions” and “department” in the following manner.

“WHEREAS the Bank has set up at Hyderabad a Staff College, Institute of Rural Development, Institute of Information and Communication Management and at Gurgaon also, a Staff College (all hereinafter referred to as Institutes) for imparting specialized training on banking and other related fields to its officers.

WHEREAS the Bank has located at Hyderabad its Inspection and Management Audit Department (hereinafter referred to as Department)

WHEREAS the Bank entered into contract arrangements with independent contractors for service, upkeep and protection of the premises of the Institutes and Department, including providing various menial services to the staff of the Institutes and Department and participants of the various training programmes conducted by the Institutes”.

8. Therefore, the aforementioned settlement dated 9th December 1976 is rendered applicable only with reference to such contract labour, who have been found working in Hyderabad Staff College,

Institute of Rural Development, Institute of Information and Communication Management Staff College and the Inspection and Management Audit Department of the bank only. Unfortunately, the petitioners herein are not employed to perform any of the functions either in the aforementioned institutions or the inspection or the audit department of the bank at Hyderabad. It is, therefore, difficult to accept the contention of the learned counsel that the writ petitioners are covered by the sweep and width of the settlement stated *supra*. Unfortunately, the petitioners have been engaged for performing perennial nature of duties and responsibilities. Those duties and functions performed by the petitioners are also equally important in the up keep as well as creating a right working environment in the bank and its officials to perform their functions. But, unfortunately after the Steel Authority of India Ltd. Case (1 *supra*) has been decided by the *apex* Court, there was no further notification issued by abolishing the contract labour system and hence the present writ petition instituted is liable to be dismissed. However, it is open to the petitioners to stake a claim for regularization of their services if the State Bank of India has framed any scheme for regularization of the contract labour or any other settlement is entered into by it in that regard. It is equally open to the petitioners to seek such remedies as are available to them in an appropriately framed *lis*.

7. With the above directions, the writ petition stands dismissed. No costs.

NOOTY RAMAMOHANA RAO, J

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[\[1\]](#) AIR 2001 SUPREME COURT 3527